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C O N F I D E N T I A L SECTION 01 OF 03 LAGOS 001364

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STATE FOR AF/W
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E.O. 12958: DECL: 09/11/2016

TAGS: [PREL](#) [PGOV](#) [NI](#)

SUBJECT: OGUN STATE GOVERNOR'S FORMULA FOR RE-ELECTION

REF: 05 LAGOS 365

Classified By: Consul General Brian L. Browne for reasons 1.4 b and d

¶1. (SBU) Summary: Ogun State Governor Otunba Gbenga Daniel appears in firm control of the People's Democratic Party (PDP) apparatus in his State and is favored to win a second term. The Daniel administration has increased revenues, slightly improved public services, and continued road construction projects begun by his predecessor. Daniel has managed to smooth his once rocky relationship with President Obasanjo. However, the race for the Ogun State governorship does not lack intrigue, as a prominent defection from the PDP looms imminent and the recent formation of the Action Congress (AC) has buoyed the opposition. End summary.

Step 1--Improve the State

¶2. (U) Governor Daniel has a reputation as an above-average governor. Many observers agree that Ogun State, despite its limited revenue base, has made strides in improving infrastructure and services. The roads, among the best in the Southwest, are constantly being serviced by Ogun Road Maintenance (Ogroma), whose uniformed personnel were much in evidence during Poloff's recent visit to the capital, Abeokuta.

¶3. (U) Infrastructure improvements include more than roads. The health sector has witnessed progress, as the Governor has created mobile tent hospitals which deliver basic health services in rural Ogun areas. Daniel has also targeted crime; Segun Adeleye of The Daily Independent noted "dramatic improvement" in safety in the State during Daniel's tenure. Education has also benefited. Ogun State Commissioner of Information Niran Malaolu and other state officials boast of creating the second university of education in Sub-Saharan Africa. (reftel)

¶4. (U) Blaming the socialist legacy of the Awolowo era, Kayode Samuel, Chief of Staff to the Governor, noted that this egalitarian leveling and its disfavor of private enterprise had manacled the State's economic base. There was little private industry; government remained the main employer when Daniel took office in 2003. According to figures published in the weekly business magazine The Broad Street Journal, Ogun ranked 29th out of 36 states in total revenues. Ogun State's revenue comes mainly from transfers from the federal government, internal state-generated revenue and the value-added tax (VAT). Samuel stated the primary financial goal of the Daniel administration was to increase revenue and reduce Ogun's dependence on the federal government.

15. (C) The State government has implemented Computer-Assisted Planning (CASP) to analyze all revenues coming into Ogun. Using CASP, the governor's staff concluded that in the previous administration 350 million Naira (approximately 2.8 million USD) disappeared every month. By emphasizing state revenue creation through the nurturing of new industry, Samuel claimed that the Daniel administration had increased local revenues nearly four-fold, from 191 to 750 million Naira. (Comment: The charge of pilferage against the former administration has to be taken with a grain of salt. Not that malfeasance did not occur but that it is highly unlikely some funds are not now being purloined under the Daniel administration. Accusing the previous administration of plunder does not necessarily bestow the seal of good housekeeping upon the accuser. End comment)

Step 2--Seek Foreign and Domestic Investment

16. (U) Daniel's administration has encouraged some foreign direct investment. Ogun and Ondo States are members of an export free-trade zone, designed to attract foreign industry. Referring to the Ogun State sobriquet "The Gateway to Nigeria", Samuel claimed that Ogun State has used its investor-friendly climate and proximity to Lagos State's ports and huge consumer base to attract investors.

17. (U) Ogun State Speaker of the House Titi Oseni told Poloff infrastructure improvements have attracted banks to the region. Oseni credited the creation of the Ogun Property and Investment Corporation (OPIC), a state organization designed to work with potential investors, for the fact that every bank in Nigeria has visited the state.

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Step 3--Placate Obasanjo, PDP, and Bureaucracy

18. (C) In the opinion of observers, Daniel has been careful to cultivate the necessary power relationships. While opponents justifiably assert Daniel's 2003 gubernatorial victory was the offspring of massive fraud, Samuel predictably attributed it to the electorate's desire to be more in concert with the national government, which is headed by the State's most powerful son, President Obasanjo. Obasanjo's large chicken farm is in Ogun, and the President actively dabbles in the affairs of his home state. (Comment: President Obasanjo may be the State's most famous son but he is not its most popular one. Clearly Daniel's victory in Ogun State was significantly attributable to electoral fraud. Samuel's interpretation of the electorate's will was as mendacious as the 2003 vote tabulation itself. Obasanjo is not popular in his own ward let alone the State. Inhabitants of Ogun did not vote for Daniel in 2003 because they thought it brought greater closeness to Obasanjo. Daniel won because the PDP controlled the vote tabulation in Ogun. Given his solid performance, Daniel may now have a new popularity independent of and in excess of what President Obasanjo can genuinely claim in the State. End comment)

19. (C) Not a protege of the President, Daniel served as former treasurer for the pan-Yoruba group Afenifere, exiting the Alliance for Democracy (AD) for the PDP prior to the 2003 gubernatorial election. Despite their cooperation on the 2003 election, doubt lingers about the closeness of the relationship with the President. Daniel went through rough patches with Obasanjo on the appointment of a traditional Yoruba leader in the State (The Alake of Egbaland) as well as because of Daniel's former closeness with Obasanjo's estranged Vice-President. Daniel has worked his way back into grace somewhat, founding a technological and engineering school in Obasanjo's home village.

¶10. (C) Daniel has also built new structures popular with party faithful, including a refurbished stadium and what is easily the fanciest PDP secretariat in the Southwest. However, given that President Obasanjo is sometime given to caprice, Daniel cannot be sure his relationship with Obasanjo is a solid one. Yet Daniel has probably shown sufficient penitence to escape exile into the President's dog house.

¶11. (U) In the opinion of Kehinde Kolawole, Chair of the Community Human Rights and Advocacy Centre, a local NGO that works to empower community groups, the real shapers of public opinion in Ogun State are the civil servants at the grassroots level, including teachers, bureaucrats, and service workers. These people have the most opportunity to shape people's opinion of the government, Kolawole said. Recognizing this, the Daniel administration has paid salaries on time and made a conscious effort to employ youth through public works projects.

Step 4--Punish the Disloyal

¶12. (C) Maintaining PDP unity has meant that the Governor has moved decisively against personal foes within the party. Ogun Senator Ibikunle Amosun, personally wealthy and a powerful local figure, supported Daniel in 2003 in hopes of succeeding Daniel in 2007. After Daniel's election, the alliance broke down over the appointment of State commissioners and Amosun's burning ambition to be the successor Governor. In a move to undercut Amosun, Daniel convinced Iyabo Obasanjo-Bello, daughter of the President, to run for Amosun's Senate seat.

¶13. (C) While Amosun is still officially in the PDP, his followers have largely decamped to the All-Nigeria People's Party (ANPP) in anticipation of Amosun's gubernatorial run. Ogun State PDP Chairman Toju Fadairo declared to Poloff that the moment Amosun joins the ANPP, the PDP will seek to strip him of his Senate seat.

Step 5--Sidestep the EFCC Charges

¶14. (C) Daniel is one of the current and past governors under Economic and Financial Crimes Commission (EFCC) investigation. Interlocutors including the Chairman of the State PDP Fadairo, said the EFCC has visited Ogun State at

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least once. When Poloff asked journalists and independent observers about charges of corruption, they admitted they have not uncovered any hard evidence against the Governor. They did tell Poloff the Governor invested in a hotel investment company with a large chunk of his own funds, a move he claimed was to give the venture some credibility. Earlier this year, Daniel returned a vehicle he received as a gift after a public outcry.

¶15. (C) PDP Chairman Fadairo said that the corruption allegations largely stem from negative stories Amosun paid newspapers, specifically The Daily Champion, to publish about the Governor. Kolawole mentioned that people in Ogun always believe their leaders are corrupt and the newspaper stories tend to reinforce what they already believe to be true. Despite recognition that Daniel has improved the State's economy, people are not ready to disbelieve corruption charges, even those for which there is no evidence, said Kolawole.

Step 6--Watch Your Opposition

¶16. (U) While the PDP is currently ascendant, the opposition

is coalescing. The opposition AC, formed from a merger of several other parties including a faction of the largely Yoruba AD, held a rally in Ogun State on October 26. Journalists who attended the rally expressed surprise at the strength and intensity of the opposition. Five or six AC candidates are ready to oppose Daniel. Kolawole described the populace as unhappy with corruption and possibly ready to support an alternative. According to Kolawole, the populace, though appreciative of the advances made by Daniel, have been disappointed so many times they remain wary of granting anyone a second term.

¶17. (C) Comment: Governor Daniel may have the inside track to a second term. Ogun State is advantaged by its proximity to Lagos and by President Obasanjo's affinity for his home State. Also, Daniel has been a reasonable steward of the State's assets and in the process has made improvements in the State. Nevertheless, the opposition is buoyant and seeks retribution for the ignominy suffered as a result of the flawed 2003 election. Daniel holds most of the cards but the opposition is not yet a busted flush. End comment.

BROWNE